TAURUS VALUE STEEL & PIPES PRIVATE LIMITED
SY No : 487, BACHUPALLY VILLAGE, KUTBULLAPUR MANDAL, TELANGANA - 501 401
CIN : U28112TG2009PTC064592 PHONE : 080 4011 7777
E MAIL ID : chinnappa@shankarabuildpro.com

Balance Sheet as at 31st March 2018

(All amounts are stated in Indian Rupees, unless stated otherwise)

Particulars	Note No.	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
I ASSETS				
Non-current assets				
(a) Property, plant and equipment	4	1,02,73,05,272	86,06,42,405	78,57,48,256
(b) Investment property	5	5,56,10,973	5,59,49,881	5,62,88,789
(c) Financial Assets				
i) Loans	6	3,60,48,592	2,20,12,190	1,85,40,418
(d) Other non-current assets	7	50,11,069	1,60,78,955	39,00,600
Total Non current assets		**1,12,39,75,906**	**95,46,83,431**	**86,44,78,063**
Current Assets				
(a) Inventories	8	78,94,38,837	73,56,65,878	52,43,03,441
(b) Financial Assets				
i) Trade receivables	9	68,07,89,788	64,90,98,390	38,23,82,630
ii) Cash and cash equivalents	10	3,50,958	12,25,028	13,62,583
iii) Bank balances other than (ii) above	11	50,99,732	19,732	19,732
iv) Other financial assets	12	23,00,216	28,06,427	22,36,103
(c) Other current assets	13	3,56,92,191	3,30,49,126	5,10,44,865
Total current assets		**1,51,36,71,722**	**1,42,18,64,581**	**96,13,49,354**
Total Assets		**2,63,76,47,628**	**2,37,65,48,012**	**1,82,58,27,417**
II EQUITY AND LIABILITIES				
Equity				
(a) Equity Share capital	14	1,51,01,000	1,51,01,000	1,51,01,000
(b) Other equity	15	92,84,17,354	74,91,80,010	51,33,80,293
Total Equity		**94,35,18,354**	**76,42,81,010**	**52,84,81,293**
Non-Current Liabilities				
(a) Financial liabilities				
i) Borrowings	16	33,33,33,334	50,00,00,000	50,00,00,000
(b) Provisions	17	3,82,140	9,30,533	42,21,667
(c) Deferred tax liabilities (Net)	18	12,06,85,752	9,77,18,387	8,34,48,421
Total Non-current liabilities		**45,44,01,226**	**59,86,48,920**	**58,76,70,088**
Current liabilities				
(a) Financial liabilities				
i) Borrowings	19	5,54,63,140	13,99,59,409	18,52,54,182
ii) Trade payables	20	97,55,52,182	69,20,89,018	36,94,47,637
iii) Other financial liabilities	21	19,42,76,221	4,04,22,571	3,45,80,153
(b) Provisions	22	10,75,240	26,41,558	2,65,119
(c) Current tax liabilities(Net)	18	62,84,347	4,72,91,237	5,77,65,636
(d) Other current liabilities	23	70,76,918	9,12,14,289	6,23,63,309
Total current liabilities		**1,23,97,28,048**	**1,01,36,18,082**	**70,96,76,036**
Total Equity and Liabilities		**2,63,76,47,628**	**2,37,65,48,012**	**1,82,58,27,417**

See accompanying notes to the financial statements

As per our report attached of even date

For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Reg.No. 103523W/W100048

S. Sundararaman
Partner
Membership No: 028423

Place: Bangalore
Date: May 09, 2018

For and on behalf of the Board of Directors

Sukumar Srinivas
Managing Director
DIN: 01668064

R.S.V. Sivaprasad
Director
DIN: 01247339

Place: Bangalore
Date: May 09, 2018

TAURUS VALUE STEEL & PIPES PRIVATE LIMITED
SY No : 487, BACHUPALLY VILLAGE, KUTBULLAPUR MANDAL, TELANGANA - 501 401
CIN : U28112TG2009PTC064592 PHONE : 080 4011 7777
E MAIL ID : chinnappa@shankarabuildpro.com

Statement of Profit and Loss for the year ended 31st March 2018

(All amounts are stated in Indian Rupees, unless stated otherwise)

	Particulars	Note No.	For the Year ended March 31,2018	For the Year ended March 31,2017
I	Revenue from operations	24	7,73,72,01,622	6,75,80,24,730
II	Other Income	25	58,91,967	64,58,062
III	**Total Income (I+II)**		**7,74,30,93,589**	**6,76,44,82,792**
IV	**Expenses**			
	Cost of Raw Materials Consumed	26	6,37,16,99,269	5,59,95,99,439
	Changes in inventories of finished goods	27	11,87,81,060	(16,59,47,438)
	Employee benefits expenses	28	11,58,80,676	11,64,08,859
	Finance costs	29	11,65,74,641	11,91,52,066
	Depreciation and amortization expenses	4, 5	5,17,61,507	4,39,41,141
	Other expenses	30	69,39,39,368	67,84,38,541
	Total expenses (IV)		**7,46,86,36,521**	**6,39,15,92,608**
V	**Profit before tax (III-IV)**		**27,44,57,068**	**37,28,90,184**
VI	Tax expense:	18		
	Current tax		7,46,00,000	11,82,20,000
	for earlier years		(14,66,248)	37,12,635
	Deferred tax		2,28,52,120	1,45,91,128
			9,59,85,872	**13,65,23,763**
VII	**Profit for the period (V-VI)**		**17,84,71,196**	**23,63,66,421**
VIII	**Other Comprehensive Income**			
A	(i) Items that will not be reclassified to Profit or loss		8,81,393	(8,87,866)
	(ii) Income tax relating to items will not be reclassified to Profit or loss		(1,15,245)	3,21,162
	Total A		**7,66,148**	**(5,66,704)**
B	(i) Items that will be reclassified to Profit or loss		-	-
	(ii) Income tax relating to items will be reclassified to Profit or loss		-	-
	Total B		-	-
	Total Other Comprehensive Income/(loss) (A+B)		**7,66,148**	**(5,66,704)**
IX	**Total Comprehensive Income**		**17,92,37,344**	**23,57,99,717**
X	**Earning per equity share:**	31		
	Basic & Diluted		118.19	156.52

See accompanying notes to the financial statements

As per our report attached of even date
For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Reg.No. 103523W/W100048

For and on behalf of the Board of Directors

S. Sundararaman
Partner
Membership No: 028423

Sukumar Srinivas
Managing Director
DIN: 01668064

R.S.V. Sivaprasad
Director
DIN: 01247339

Place: Bangalore
Date: May 09, 2018

Place: Bangalore
Date: May 09, 2018

TAURUS VALUE STEEL & PIPES PRIVATE LIMITED
SY No : 487, BACHUPALLY VILLAGE, KUTBULLAPUR MANDAL, TELANGANA - 501 401
CIN : U28112TG2009PTC064592 PHONE : 080 4011 7777
E MAIL ID : chinnappa@shankarabuildpro.com

Statement of Changes in Equity for the year ended 31st March 2018

(All amounts are stated in Indian Rupees, unless stated otherwise)

A. Equity Share Capital (Refer Note 14)

As at 01-04-2016	Movement during the year	As at 31-03-2017	Movement during the year	As at 31-03-2018
1,51,01,000	-	1,51,01,000	-	1,51,01,000

B. Other Equity (Refer Note 15)

Particulars	Reserve and Surplus			Items of other comprehensive income		Total
	Capital Reserve	Securities Premium reserve	Retained Earnings	Remeasurements of the net defined benefit plans	Fair valuation of Guarantee to Holding company	
Opening Balance as at April 01, 2016	**4,48,653**	**13,50,00,000**	**37,89,02,307**		**(9,70,667)**	**51,33,80,293**
Profit for the year			23,63,66,421			23,63,66,421
Other comprehensive income for the year, net of income tax				(6,06,838)	40,134	(5,66,704)
Closing balance as at March 31, 2017	**4,48,653**	**13,50,00,000**	**61,52,68,728**	**(6,06,838)**	**(9,30,533)**	**74,91,80,010**
Profit for the year			17,84,71,196			17,84,71,196
Other comprehensive income for the year, net of income tax				2,17,755	5,48,393	7,66,148
Closing balance as at March 31, 2018	**4,48,653**	**13,50,00,000**	**79,37,39,924**	**(3,89,083)**	**(3,82,140)**	**92,84,17,354**

See accompanying notes to the financial statements

As per our report attached of even date
For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Reg.No. 103523W/W100048

For and on behalf of the Board of Directors

S. Sundararaman
Partner
Membership No: 028423

Sukumar Srinivas
Managing Director
DIN: 01668064

R.S.V. Sivaprasad
Director
DIN: 01247339

Place: Bangalore
Date: May 09, 2018

Place: Bangalore
Date: May 09, 2018

TAURUS VALUE STEEL & PIPES PRIVATE LIMITED
SY No : 487, BACHUPALLY VILLAGE, KUTBULLAPUR MANDAL, TELANGANA - 501 401
CIN : U28112TG2009PTC064592 PHONE : 080 4011 7777
E MAIL ID : chinnappa@shankarabuildpro.com

Statement of Cash Flows for the year ended 31-3-2018

(All amounts are stated in Indian Rupees, unless stated otherwise)

Particulars	For the Year ended March 31,2018	For the Year ended March 31,2017
Cash flow from operating activities		
Profit before tax	27,44,57,068	37,28,90,184
Adjustments for :		
Depreciation and amortization expenses	5,17,61,507	4,39,41,141
Loss on sale of Property, plant & equipment	-	8,45,680
Interest income	(12,32,579)	(15,72,378)
Interest expense	11,19,07,965	11,43,67,879
Bad Debts written off	2,386	4,265
Loss Allowance for doubtful trade receivables	13,64,014	94,448
Operating profit before working capital changes	**43,82,60,361**	**53,05,71,219**
Adjustments for :		
(Increase) / Decrease in inventories	(5,37,72,959)	(21,13,62,437)
(Increase) / Decrease in trade receivable	(3,30,57,798)	(26,68,14,473)
Decrease/ (Increase) in Other Assets	(1,57,75,039)	1,40,71,304
(Decrease)/ Increase in trade payables	28,34,63,164	32,26,41,381
(Decrease)/ Increase in other liabilities	(9,69,50,387)	3,46,93,398
(Decrease)/Increase in provisions	(12,33,318)	(18,02,561)
Cash flow from operations	**52,09,34,024**	**42,19,97,831**
Income taxes paid	(11,41,40,642)	(13,24,07,034)
Net cash generated from/(used in) operating activities (A)	**40,67,93,382**	**28,95,90,797**
Cash flow from investing activities		
Payment for Property, Plant & Equipment, Investment property, Intangible assets including capital Advances	(20,70,17,580)	(13,24,25,417)
Proceeds from sale of Property, plant & equipment	-	9,05,000
Bank deposits not considered as cash and cash equivalents (net)	(50,80,000)	-
Interest received	8,34,362	14,54,717
Net cash generated from/(used in) investing activities (B)	**(21,12,63,218)**	**(13,00,65,700)**
Cash flow from financing activities		
Proceeds from/ (Repayment of) Current borrowings (net)	(8,44,96,269)	(4,52,94,773)
Interest paid	(11,19,07,965)	(11,43,67,879)
Net cash used in financing activities (C)	**(19,64,04,234)**	**(15,96,62,652)**
Net increase in cash and cash equivalents(A+B+C)	**(8,74,070)**	**(1,37,555)**
Cash and cash equivalents - opening balances	**12,25,028**	**13,62,583**
Cash and cash equivalents - closing balances	**3,50,958**	**12,25,028**

See accompanying notes to the financial statements

As per our report attached of even date
For Haribhakti & Co. LLP
Chartered Accountants
ICAI Firm Reg.No. 103523W/W100048

For and on behalf of the Board of Directors

S. Sundararaman
Partner
Membership No: 028423

Sukumar Srinivas
Managing Director
DIN: 01668064

R.S.V. Sivaprasad
Director
DIN: 01247339

Place: Bangalore
Date: May 09, 2018

Place: Bangalore
Date: May 09, 2018

Taurus Value Steel & Pipes Private Limited
Notes to the Financial Statements

1 GENERAL INFORMATION

Taurus Value Steel & Pipes Private Limited, an ISO 9001 company, is a wholly owned subsidiary of Shankara Building Products Limited (Formerly Shankara Infrastructure Materials Ltd). It is engaged in the manufacture of MS Pipes, GI Pipes & Precision tubes at its manufacturing unit at Hyderabad.

2 SIGNIFICANT ACCOUNTING POLICIES

A STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015 as amended and notified under Section 133 of the Companies Act, 2013 (the 'Act') and other relevant provisions of the Act. The aforesaid financial statements have been approved by the Board of Directors in the meeting held on 9th May 2018. These financial statements are prepared and presented in Indian Rupees and rounded-off to the nearest rupees, except when otherwise stated.

The Company's financial statements upto and for the year ended 31st March, 2017 were prepared in accordance with the Standards as per Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Companies Act, 2013 and other relevant provisions of the Act which was the previous GAAP ("IGAAP"). These are the first Ind AS Financial Statements of the Company. The date of transition to Ind AS is 1st April, 2016. Refer note 2(T) below for the details of first-time adoption exemptions availed by the Company.

B BASIS OF PREPARATION AND PRESENTATION

These financial statements have been prepared and presented on the accrual basis of accounting under historical cost convention or fair values as per the requirements of Ind AS prescribed under section 133 of the Companies Act, 2013.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes in to account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for sharebased payment transactions that are within the scope of Ind AS 102, leasing transactions that are within the scope of Ind AS 17, and measurements that have some similarities to fair value but are not fair value, such as net realizable value in Ind AS 2 or value in use in Ind AS 36.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1,2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurements in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and 12 months or other criteria as set out in the Schedule III to the Companies Act, 2013. Based on the nature of its business, the company has ascertained its operating cycle to be 12 months for the purpose of current and non-current classification of assets and liabilities.

C REVENUE RECOGNITION

Revenue is measured at the fair value of the consideration received or receivable. The Company recognizes revenues on sale of products, net of discounts, rebates, returns, sales taxes and duties when the products are delivered to customer or when delivered to a carrier for sale, which is when significant risks and rewards of ownership pass to the customer.

Dividend and interest income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established.

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

Interest income is recognised on time proportion basis.

Other income is recognised on accrual basis provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably.

D PROPERTY, PLANT AND EQUIPMENT

The cost of property, plant and equipment comprises its purchase price, any import duties and other taxes (other than those subsequently recoverable from the tax authorities), any directly attributable expenditure on making the asset ready for its intended use, including relevant borrowing costs for qualifying assets and any expected costs of decommissioning, net of any trade discounts and rebates. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, are charged to the Statement of Profit and Loss in the period in which the costs are incurred unless such expenditure results in a significant increase in the future benefits of the concerned asset.

An item of property, plant and equipment is derecognised upon disposal or on retirement of an item of property, plant and equipment when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the net sale proceeds and the carrying amount of the asset and is recognized in Statement of Profit and Loss.

Property, plant and equipment are stated in the balance sheet at cost less accumulated depreciation and accumulated impairment losses., if any.

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS i.e. 1st April, 2016, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Depreciation commences when the assets are ready for their intended use. Depreciable amount for assets is the cost of an asset, or other amount substituted for cost, less its estimated residual value. Depreciation is recognized so as to write off the cost of assets (other than properties under construction) less their residual values over their useful lives, using straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013. Management has re-assessed the useful lives of the Property, plant and equipment and on the basis of technical evaluation, management is of the view that useful lives used by management, as above, are indicative of the estimated economic useful lives of the Property, plant and equipment. In respect of additions to Property, plant and equipment, depreciation has been charged on pro rata basis. Individual assets costing less than Rs.5,000/- are depreciated fully during the year of purchase.

The Company reviews the residual value, useful lives and depreciation method annually and, if current estimates differ from previous estimates, the change is accounted for as a change in accounting estimate on a prospective basis.

E INVESTMENT PROPERTIES

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable, the borrowing costs. Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the company and the cost of the item can be measured reliably. All other repairs and maitenance costs are expensed when incurred. When part of investment property is replaced, the carrying amount of the replaced part is derecognised

Investment properties are depreciated using straight-line method over their estimated useful lives. Investment properties generally have a useful life of 60 years. The useful life has been determined based on technical evaluation by management.

On transition to Ind AS, the group has elected to continue with the carrying value of all of its investment properties recognised as at 1st April 2016, measured as per previous GAAP and use that carrying value as the deemed cost of investment properties.

F INTANGIBLE ASSETS

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are carried at cost less accumulated impairment losses.

An item of intangible assets is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the Statement of Profit or Loss when the asset is derecognised.

For transition to Ind AS, the Company has elected to continue with carrying value of all its intangible assets recognised as of 1st April, 2016 (transition date) measured as per the previous GAAP and use that carrying value as its deemed cost as of transition date.

G IMPAIRMENT OF PROPERTY, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the Statement of Profit and Loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Any reversal of the previously recognised impairment loss is limited to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had previously been recognised.

H BUSINESS COMBINATIONS

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations. The cost of an acquisition is measured at the fair value of the assets transferred, equity instruments issued and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Company. The cost of acquisition also includes the fair value of any contingent consideration. Identifiable assets acquired, liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition. Business combinations between entities under common control is accounted for at carrying value. Transaction costs that the Company incurs in connection with a business combination such as finder's fees, legal fees, due diligence fees, and other professional and consulting fees are expensed as incurred.

I LEASES

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Where the company is lessor

Rental income from operating leases is recognised on straight-line basis over the term of the relevant lease. Initial direct cost, if any, incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on straight-line basis over the lease term.

Where the company is lessee

Payments made under operating leases are charged to the Statement of Profit and Loss on a straight line basis over the period of the lease determined in the respective agreements which is representative of the time pattern in which benefit derived from the use of the leased asset. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue.

Leases where the Company has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the inception of the lease at the lower of the fair value of the leased asset and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance charge and the reduction of the outstanding liability. The outstanding liability is included in other long-term borrowings. The finance charge is charged to the Statement of Profit and Loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

J INVENTORIES

Inventories are stated at lower of cost and net realizable value. Cost comprises of purchase price, freight, other attributable cost, applicable taxes not eligible for credit, less rebates and discounts, which is determined on First in First out ('FIFO') basis. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Stores and spares which does not meet the definition of Property, plant and equipment are accounted as inventories
All items of inventories which are considered to be damaged, unmarketable or unserviceable and have become otherwise obsolete are valued at the estimated net realizable value.

K EMPLOYEE BENEFITS

In respect of defined contribution plan the company makes the stipulated contributions to provident fund, Employee state insurance and pension fund, in respect of employees to the respective authorities under which the liability of the company is limited to the extent of the contribution.
The liability for gratuity, considered as defined benefit, is determined actuarially using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding interest), is reflected immediately in the statement of financial position with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);

- net interest expense or income; and
- re-measurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expenses'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognised in the statement of financial position represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.
A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service. Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

L TAXATION

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax

Current tax is the amount of tax payable based on the taxable profit for the year as determined in accordance with the applicable tax rates and the provisions of the Indian Income Tax Act, 1961.

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit. In addition, deferred tax liabilities are not recognised if the temporary difference arises from the initial recognition of goodwill.

The carrying amount of deferred tax assets is reviewed at the end of each annual reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Current and deferred tax are recognised in the statement of profit and loss, except when they are related to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefit associated with it will flow to the Company.

M FOREIGN CURRENCIES

The functional currency of the Company is determined on the basis of the primary economic environment in which it operates. The functional currency of the Company is Indian National Rupee (INR).

The transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in Foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in Statement of Profit and Loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognized initially in other comprehensive income and reclassified from equity to Statement of Profit and Loss on repayment of the monetary items.

N PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Provisions are recognised when the Company has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

Contingent Liabilities and Contingent Assets are not recognized but are disclosed in the notes.

O EARNING PER SHARE

Basic earnings per share is computed by dividing the profit / (loss) after tax attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the year is adjusted for treasury shares, bonus issue, bonus element in a rights issue to existing shareholders, share split and reverse share split (consolidation of shares).

Diluted earnings per share is computed by dividing the profit / (loss) after tax attributable to equity shareholders as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares including the treasury shares held by the Company to satisfy the exercise of the share options by the employees.

P BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use. All other borrowing costs are recognised in the Statement of Profit and Loss in the period in which they are incurred.

Q GOVERNMENT GRANTS AND SUBSIDIES

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received. Government grants are recognised in the Statement of Profit and Loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate. Government grants relating to Property, plant and equipment are treated as deferred income and released to the Statement of profit and loss over the expected useful lives of the assets concerned. The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

R FINANCIAL INSTRUMENTS

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through Statement of Profit and Loss ('FVTPL')) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit and loss are recognised immediately in Statement of Profit and Loss.

a) Financial Assets

(i) Initial recognition and measurement

All financial assets are recognized initially at fair value. Transaction costs that are directly attributable to the acquisition of financial assets (other than financial assets at fair value through Statement of Profit or Loss ('FVTPL')) are added to the fair value of the financial assets, on initial recognition. Transaction cost directly attributable to the acquisition of financial assets at FVTPL are recognized immediately in Statement of Profit and Loss.

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:
• Debt instruments at amortized cost
• Debt instruments at fair value through other comprehensive income (FVTOCI);
• Debt instruments and equity instruments at fair value through profit or loss (FVTPL);
• Equity instruments measured at fair value through other comprehensive income (FVTOCI).

Debt instruments at amortised cost:

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

• The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
• Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at FVTOCI:

A 'debt instrument' is classified as FVTOCI if both of the following criteria are met:
• The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
• The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI).

Debt instrument at FVTPL:

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as amortized cost or as FVTOCI, is classified as FVTPL. Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the statement of profit and loss.

In addition, the Company may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as FVTPL. However, such election is chosen only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

(iii) Derecognition of financial assets

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily de-recognized when:

• The rights to receive cash flows from the asset have expired, or
• The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognize the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognizes an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

(iv) Investment in Subsidiaries:
The Company's investment in equity instruments of Subsidiaries are accounted for at cost as per Ind AS 27.

b) Financial liabilities and equity instruments

(i) Initial recognition and measurement

All financial liabilities are recognized initially at fair value plus transaction cost (if any) that is attributable to the acquisition of the financial liabilities which is also adjusted.

(ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate (EIR) method. Gains and losses are recognized in profit or loss when the liabilities are de-recognised as well as through the EIR amortization process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Trade and other payables

These amounts represent liabilities for goods or services provided to the Company which are unpaid at the end of the reporting period. Trade and other payables are presented as current liabilities when the payment is due within a period of 12 months from the end of the reporting period. For all trade and other payables classified as current, the carrying amounts approximate fair value due to the short maturity of these instruments. Other payables falling due after 12 months from the end of the reporting period are presented as non-current liabilities and are measured at amortised cost unless designated as fair value through profit and loss at the inception.

The Company enters into deferred payment arrangements (acceptances) whereby lenders such as banks and other financial institutions make payments to supplier's banks for purchase of raw materials. The banks and financial institutions are subsequently repaid by the Company at a later date. These are normally settled up to 90 days. These arrangements for raw materials are recognized as Acceptances (under trade payables).

Other financial liabilities at fair value through profit or loss:

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Gains or losses on liabilities held for trading or designated as at FVTPL are recognized in the profit or loss.

Derecognition of financial liabilities:

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or Modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

c) Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously

d) Impairment of Financial assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses, if the credit risk on the financial asset has increased significantly since initial recognition.

e) Fair value measurement:

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

• In the principal market for the asset or liability, or
• In the absence of a principal market, in the most advantageous market for the asset or liability which are accessible to the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

• Level 1: Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
• Level 2: Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable, or
• Level 3: Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level Input that is significant to the fair value measurement as a whole) at the end of each reporting period.

S CASH & CASH EQUIVALENTS

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

T FIRST TIME ADOPTION – MANDATORY EXCEPTIONS, OPTIONAL EXEMPTIONS

Overall principle

The Company has prepared the opening Balance Sheet as per Ind AS as of 1st April, 2016 (the transition date) by,

- recognising all assets and liabilities whose recognition is required by Ind AS,
- not recognising items of assets or liabilities which are not permitted by Ind AS,
- by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and
- applying Ind AS in measurement of recognised assets and liabilities.

However, this principle is subject to certain exceptions and certain optional exemptions availed by the Company as detailed below. Since, the financial statements are the first financial statements, the first time adoption – mandatory exceptions and optional exemptions have been explained in detail.

(i) Deemed cost for Property, plant and equipment and Investment properties

The Company has elected to continue with the carrying value of all of its property, plant and equipment as of 1st April, 2016 (transition date) measured as per the previous GAAP as its deemed cost as at the date of transition.

(ii) Determining whether an arrangement contains a lease

The Company has opted to apply the Appendix C of Ind AS 17 - Determining whether an Arrangement contains a Lease, to determine whether the arrangements existing as on the transition date contains a lease, on the basis of facts and circumstances existing as at the transition date.

(iii) De-recognition of financial assets and financial liabilities

The Company has applied the de-recognition requirements of financial assets and financial liabilities prospectively for transactions occurring on or after 1 April, 2016 (the transition date).

(iv) Designation of previously recognised financial instruments

The Company has designated financial liabilities and financial assets at fair value through profit or loss on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

(v) Impairment of financial assets

The Company has applied the impairment requirements of Ind AS 109 retrospectively; however, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised in order to compare it with the credit risk at the transition date. Further, the Company has not undertaken an exhaustive search for information when determining, at the date of transition to Ind ASs, whether there have been significant increases in credit risk since initial
recognition, as permitted by Ind AS 101.

(vi) Past business combinations

The Company has elected not to apply Ind AS 103 Business Combinations retrospectively to past business combinations that occurred before the transition date of 1st April, 2016. Consequently,

- The Company has kept the same classification for the past business combinations as in its previous GAAP financial statements;

- The Company has not recognised assets and liabilities that were not recognised in accordance with previous GAAP in the balance sheet of the acquirer and would also not qualify for recognition in accordance with Ind AS in the separate balance sheet of the acquiree;

- The Company has excluded from its opening balance sheet those items recognised in accordance with previous GAAP that do not qualify for recognition as an asset or liability under Ind AS;

- The Company has tested the goodwill for impairment at the transition date based on the conditions as of the transition date;

- The effects of the above adjustments have been given to the measurement of deferred tax.

3 KEY SOURCES OF ESTIMATION UNCERTAINTY AND CRITICAL ACCOUNTING JUDGEMENTS

In the course of applying the policies outlined in all notes under section 2 above, the Company is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future period, if the revision affects current and future period.

(i) Useful lives of property, plant and equipment

Management reviews the useful lives of property, plant and equipment at least once a year. Such lives are dependent upon an assessment of both the technical lives of the assets and also their likely economic lives based on various internal and external factors including relative efficiency and operating costs. Accordingly depreciable lives are reviewed annually using the best information available to the Management.

(ii) Provisions and liabilities

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events that can reasonably be estimated. The timing of recognition requires application of judgement to existing facts and circumstances which may be subject to change. The amounts are determined by discounting
the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

(iii) Contingencies

In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Potential liabilities that are possible but not probable of crystalising or are very difficult to quantify reliably are treated as contingent liabilities. Such liabilities are disclosed in the notes but are not recognized.

(iv) Fair value measurements

When the fair values of financial assets or financial liabilities recorded or disclosed in the financial statements cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible,
a degree of judgment is required in establishing fair values. Judgements include consideration of inputs such as liquidity risk, credit risk and volatility.

(v) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

Taurus Value Steel & Pipes Private Limited

Notes to the Financial Statements

4 **PROPERTY, PLANT AND EQUIPMENT**

(All amounts are stated in Indian Rupees, unless stated otherwise)

Particulars	Freehold Land	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office equipment	Computers	Total Tangible asset
Deemed cost as at April 01, 2016	**6,18,90,071**	**35,29,85,023**	**35,85,01,172**	**63,33,713**	**43,60,569**	**12,75,669**	**4,02,039**	**78,57,48,256**
Additions	1,40,69,969	4,09,35,509	5,77,51,993	36,18,826	32,95,386	3,51,092	2,24,287	12,02,47,062
Disposals	-	-	17,50,680	-	-	-	-	17,50,680
Gross carrying amount as at March 31, 2017	**7,59,60,040**	**39,39,20,532**	**41,45,02,485**	**99,52,539**	**76,55,955**	**16,26,761**	**6,26,326**	**90,42,44,638**
Additions	-	3,15,87,084	17,85,65,716	20,78,760	52,23,312	4,95,889	1,34,705	21,80,85,466
Disposals	-	-	-	-	-	-	-	-
Gross carrying amount as at March 31, 2018	**7,59,60,040**	**42,55,07,616**	**59,30,68,201**	**1,20,31,299**	**1,28,79,267**	**21,22,650**	**7,61,031**	**1,12,23,30,104**
Accumulated depreciation / amortisation and impairment								
Balance as at April 01, 2016	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Depreciation for the year	-	1,21,12,489	2,88,61,027	4,92,140	9,81,680	9,39,440	2,15,457	4,36,02,233
Depreciation on disposals	-	-	-	-	-	-	-	-
Balance as at March 31, 2017	**-**	**1,21,12,489**	**2,88,61,027**	**4,92,140**	**9,81,680**	**9,39,440**	**2,15,457**	**4,36,02,233**
Depreciation for the year	-	1,36,44,837	3,48,10,873	16,66,807	10,50,799	40,767	2,08,516	5,14,22,599
Depreciation on disposals	-	-	-	-	-	-	-	-
Balance as at March 31, 2018	**-**	**2,57,57,326**	**6,36,71,900**	**21,58,947**	**20,32,479**	**9,80,207**	**4,23,973**	**9,50,24,832**
Net Carrying amount								
As at March 31, 2018	**7,59,60,040**	**39,97,50,290**	**52,93,96,301**	**98,72,352**	**1,08,46,788**	**11,42,443**	**3,37,058**	**1,02,73,05,272**
As at March 31, 2017	**7,59,60,040**	**38,18,08,043**	**38,56,41,458**	**94,60,399**	**66,74,275**	**6,87,321**	**4,10,869**	**86,06,42,405**
As at April 01, 2016	**6,18,90,071**	**35,29,85,023**	**35,85,01,172**	**63,33,713**	**43,60,569**	**12,75,669**	**4,02,039**	**78,57,48,256**
Useful Life of the asset (In Years)	**N/A**	Refer note (C)	15 Years	10 Years	8 - 10 Years	5 Years	3 Years	
Method of depreciation	**N/A**	Straight Line Method						

Note

a) The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS i.e. 1^{st} April, 2016, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. The carrying value as at April 01, 2016 amounting to Rs. 78,57,48,256 of Property, plant and equipment represents gross cost of Rs. 87,24,08,659 net of accumulated depreciation of Rs. 8,66,60,403 as at March 31, 2016.

b) Property, plant & equipment have been pledged as security against certain long term borrowings of the company as at 31st March 2018 (Refer note 20).

c) 30 years for Factory buildings and 60 years for other buildings

Taurus Value Steel & Pipes Private Limited
Notes to the Financial Statements

(All amounts are stated in Indian Rupees, unless stated otherwise)

5 **INVESTMENT PROPERTIES**

Particulars	Freehold Land	Buildings	Total
Deemed cost as at April 01, 2016	**3,55,52,350**	**2,07,36,439**	**5,62,88,789**
Additions	-	-	-
Disposals	-	-	-
Gross carrying amount as at March 31, 2017	**3,55,52,350**	**2,07,36,439**	**5,62,88,789**
Additions	-	-	-
Disposals	-	-	-
Gross carrying amount as at March 31, 2018	**3,55,52,350**	**2,07,36,439**	**5,62,88,789**
Accumulated depreciation and impairment			
Balance as at April 01, 2016	-	-	-
Depreciation for the year	-	3,38,908	3,38,908
Depreciation on disposals	-	-	-
Balance as at March 31, 2017	-	**3,38,908**	**3,38,908**
Depreciation for the year	-	3,38,908	3,38,908
Depreciation on disposals	-	-	-
Balance as at March 31, 2018	-	**6,77,816**	**6,77,816**
Net Carrying amount			
As at March 31, 2018	**3,55,52,350**	**2,00,58,623**	**5,56,10,973**
As at March 31, 2017	**3,55,52,350**	**2,03,97,531**	**5,59,49,881**
As at April 01, 2016	**3,55,52,350**	**2,07,36,439**	**5,62,88,789**
Useful Life of the asset (In Years)	N/A	60 years	
Method of depreciation	N/A	Straight Line Method	

Note: The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in the financial statements as at the date of transition to Ind AS i.e. 1 April, 2016, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. The carrying value as at April 01, 2016 amounting to Rs. 5,62,88,789 of Property, plant and equipment represents gross cost of Rs. 5,70,75,579 net of accumulated depreciation of Rs. 7,86,790 as at March 31, 2016.

INCOME EARNED AND EXPENSE INCURRED FOR INVESTMENT PROPERTY

Particulars	For the year ended	
	31-03-2018	31-03-2017
Rental income from investment property	45,39,240	44,74,020
Direct operating expenses (including repairs and maintenance)	3,39,907	-
Profit from investment properties before depreciation	41,99,333	44,74,020
Depreciation	3,38,908	3,38,908
Profit from investment property	38,60,425	41,35,112

Fair Value

Particulars	31-03-2018	31-03-2017	01-04-2016
Investment property	10,28,00,000	10,40,00,000	9,60,00,000

Estimation of fair value

The best evidence of fair value is current prices in an active market for similar properties. Since investment properties are leased out by the Company, the market rate for sale/purchase of such premises are representative of fair values. Company's investment properties are at a location where active market is available for similar kind of properties. Hence fair value is ascertained on the basis of market rates prevailing for similar properties in those location determined by an independent registered valuer and consequently classified as a level 2 valuation.

Taurus Value Steel & Pipes Private Limited
Notes to the Financial Statements

(All amounts are stated in Indian Rupees, unless stated otherwise)

6 **LOANS (NON-CURRENT)**

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Unsecured considered good:			
Security Deposit	3,54,98,592	2,14,62,190	1,79,25,812
Dealers deposit	5,50,000	5,50,000	6,14,606
Total	**3,60,48,592**	**2,20,12,190**	**1,85,40,418**

7 **OTHER NON CURRENT ASSETS**

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Unsecured, Considered good:			
Capital advances	50,11,069	1,60,78,955	39,00,600
Total	**50,11,069**	**1,60,78,955**	**39,00,600**

8 **INVENTORIES**

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Inventories:(at lower of cost and Net realisable value)			
Raw Materials	44,85,69,105	27,79,46,624	23,72,18,290
Finished Goods	30,61,01,687	42,48,82,747	25,89,35,309
Stores and spares	3,47,68,045	3,28,36,507	2,81,49,842
Total	**78,94,38,837**	**73,56,65,878**	**52,43,03,441**

Inventories have been pledged as security against certain bank borrowings of the group as at 31 March 2018
(Refer note 16 and note 19)

Taurus Value Steel & Pipes Private Limited
Notes to the Financial Statements

(All amounts are stated in Indian Rupees, unless stated otherwise)

Details of Goods in Transit

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Stock-in-trade	-	3,34,08,640	4,01,12,463
Total	-	3,34,08,640	4,01,12,463

9 **TRADE RECEIVABLE (CURRENT)**

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Unsecured:			
Considered Good	68,07,89,788	64,90,98,390	38,23,82,630
Considered Doubtful	26,96,952	13,32,938	12,38,490
	68,34,86,740	65,04,31,328	38,36,21,120
Less: Allowance for doubtful debts	(26,96,952)	(13,32,938)	(12,38,490)
Total	**68,07,89,788**	**64,90,98,390**	**38,23,82,630**

Ageing of receivables that are past due but not impaired

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
60 - 90 days	1,40,35,434	4,45,62,701	2,53,50,120
90 - 180 days	10,36,115	1,66,86,688	3,28,670
> 180 days	2,11,84,074	37,19,704	2,68,863
Total	**3,62,55,623**	**6,49,69,093**	**2,59,47,653**

The credit period on sales of goods ranges from 30 to 45 days without security. No interest is charged on trade receivables

In determining the allowances for doubtful trade receivables, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivables based on a provision matrix. The provision matrix takes into account historical credit loss experience and is adjusted for forward looking information. The expected credit loss allowance is based on the ageing of the receivables that are due and rates used in the provision matrix. There has been no significant change in the credit quality of receivables past due for more than 180 days.

Before accepting any new customer, the company evaluates the financial position, past performance, business opportunities, credit references etc of the new customer and defines credit limit and credit period. The credit limit and the credit period are reviewed at periodical intervals.

The Company does not generally hold any collateral or other credit enhancements over these balances nor does it have a legal right of offset against any amounts owed by the Company to the counterparty.

Trade receivables have been given as collateral towards borrowings (refer security note below Note 16 and Note 19).

In determining the recoverability of a trade receivable, the Company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. The concentration of credit risk is limited due to the fact that the customer base is large and unrelated.

Taurus Value Steel & Pipes Private Limited

Notes to the Financial Statements

(All amounts are stated in Indian Rupees, unless stated otherwise)

10 **CASH AND CASH EQUIVALENT**

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Balances with banks :			
In current account	1,10,059	2,26,190	1,82,505
Cash on hand	2,40,899	9,98,838	11,80,078
Total	**3,50,958**	**12,25,028**	**13,62,583**

11 **BANK BALANCE OTHER THAN CASH AND CASH EQUIVALENTS**

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Earmarked balances:			
Margin Money	99,732	19,732	19,732
Fixed Deposit	50,00,000	-	-
Total	**50,99,732**	**19,732**	**19,732**

12 **OTHER FINANCIAL ASSETS (CURRENT)**

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Unsecured, considered good			
Rent receivable	4,08,527	3,97,184	3,83,933
Interest Accrued on Others	11,50,316	7,52,099	6,34,438
Staff Advance	7,41,373	16,57,144	12,17,732
Total	**23,00,216**	**28,06,427**	**22,36,103**

13 **OTHER CURRENT ASSETS**

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Unsecured, considered good			
Advances other than capital advances:			
Advances for purchases	1,50,58,534	55,73,529	3,85,12,434
Prepayments and others	18,63,974	18,05,271	12,54,838
Balances with government authorities	1,87,69,683	2,56,70,326	1,12,77,593
Total	**3,56,92,191**	**3,30,49,126**	**5,10,44,865**

(All amounts are stated in Indian Rupees, unless stated otherwise)

14 EQUITY SHARE CAPITAL

Particulars	As at 31-03-2018		As at 31-03-2017		As at 01-04-2016	
	No.of Shares	Rs.	No.of Shares	Rs.	No.of Shares	Rs.
Authorised Share Capital:						
Equity shares of Rs.10/- each	20,00,000	2,00,00,000	20,00,000	2,00,00,000	20,00,000	2,00,00,000
Issued, subscribed and paid up capital:						
Equity shares of Rs.10/- each, fully paid	15,10,100	1,51,01,000	15,10,100	1,51,01,000	15,10,100	1,51,01,000

a) **Reconciliation of number of equity shares and equity share capital**

Particulars	31-03-2018		31-03-2017		01-04-2016	
	No.of Shares	Rs.	No.of Shares	Rs.	No.of Shares	Rs.
Balance as at the beginning of the year	15,10,100	1,51,01,000	15,10,100	1,51,01,000	15,10,100	1,51,01,000
Add: Shares issued	-	-	-	-	-	-
Balance as at the end of the year	15,10,100	1,51,01,000	15,10,100	1,51,01,000	15,10,100	1,51,01,000

b) Rights, preferences and restrictions attached to shares and terms of conversion of other securities into equity.
The company has one class of equity shares having par value of Rs.10 each. Each share holder is eligible for one vote per share held and carry a right to dividend. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

c) Details of Shares held by holding Company:

Name of Shareholder	As at 31-03-2018		As at 31-03-2017		As at 01-04-2016	
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
Shankara Building Products Limited	15,10,100	100.00%	15,10,100	100.00%	15,10,100	100.00%

d) Details of shareholders holding more than 5% of the aggregate shares in the Company:

Name of Shareholder	As at 31-03-2018		As at 31-03-2017		As at 01-04-2016	
	No. of Shares	% of Holding	No. of Shares	% of Holding	No. of Shares	% of Holding
Shankara Building Products Ltd	15,10,100	100.00%	15,10,100	100.00%	15,10,100	100.00%

e) For the period of five years immediately preceding the date of Balance Sheet,

Particulars	31-Mar-18	31-Mar-17	31-Mar-16	31-Mar-15	31-Mar-14
Aggregate number & class of shares allotted by the company as fully paid up pursuance to contracts without receipt of cash	Nil	Nil	Nil	Nil	15,00,000
Aggregate number & class of shares bought back by the company	Nil	Nil	Nil	Nil	Nil
Aggregate number & class of shares allotted by the company as fully paid up by way of bonus shares	Nil	Nil	Nil	Nil	Nil

Taurus Value Steel & Pipes Private Limited
Notes to the Financial Statements

(All amounts are stated in Indian Rupees, unless stated otherwise)

15 **OTHER EQUITY**

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Retained earnings	79,37,39,924	61,52,68,728	37,89,02,307
OTHER COMPREHENSIVE INCOME:			
Remeasurements of the net defined benefit plans	(3,89,083)	(6,06,838)	-
Fair valuation of Guarantee to Holding company	(3,82,140)	(9,30,533)	(9,70,667)
OTHER RESERVES			
Capital Reserve	4,48,653	4,48,653	4,48,653
Securities Premium Account	13,50,00,000	13,50,00,000	13,50,00,000
Total	**92,84,17,354**	**74,91,80,010**	**51,33,80,293**

Capital Reserve

Reserve is primarily created on amalgamation as per statutory requirement.

Taurus Value Steel & Pipes Private Limited
Notes to the Financial Statements

(All amounts are stated in Indian Rupees, unless stated otherwise)

FINANCIAL LIABILITIES

16 **BORROWINGS (NON - CURRENT)**

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
TERM LOANS:			
Unsecured loan from Holding Company *	33,33,33,334	50,00,00,000	50,00,00,000
Total	**33,33,33,334**	**50,00,00,000**	**50,00,00,000**

* Part of consideration pertaining to past business combination (Non-interest bearing)

Particulars	Current	Non-current	Total
Unsecured loan from Holding Company	16,66,66,666	33,33,33,334	50,00,00,000

17 **PROVISIONS (NON-CURRENT)**

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Provision for Employee benefits			
Provision for Gratuity	-	-	32,51,000
Provision for financial guarantee liability	3,82,140	9,30,533	9,70,667
	3,82,140	**9,30,533**	**42,21,667**

(All amounts are stated in Indian Rupees, unless stated otherwise)

18 INCOME TAXES

Company is assessed to tax on taxable profits determined for each fiscal year beginning on April 1 and ending on March 31.

Statutory income taxes are assessed based on book profits prepared under generally accepted accounting principles in India adjusted in accordance with the provisions of the (Indian) Income tax Act, 1961. Such adjustments generally relate to depreciation of fixed assets, disallowances of certain provisions and accruals, deduction for tax holidays, the set-off of tax losses and depreciation carried forward and retirement benefit costs. Statutory income tax is charged at 30% plus a surcharge and education cess.

a) **Income tax expenses**

Particulars	For the year ended	
	31-03-2018	31-03-2017
Current tax:		
Current tax	7,46,00,000	11,82,20,000
Tax pertaining to earlier years	(14,66,248)	37,12,635
Deferred tax	2,28,52,120	1,45,91,128
Total	**9,59,85,872**	**13,65,23,763**

A reconciliation of income tax expense applicable to accounting profit before tax at the statutory income tax rate to recognised income tax expense for the year indicated are as follows:

Particulars	For the year ended	
	31-03-2018	31-03-2017
Profit before tax	27,44,57,068	37,28,90,184
Enacted tax rate in India	34.608%	34.608%
Expected income tax expense at statutory tax rate	9,49,84,102	12,90,49,835
Tax impact on account of		
Depreciation under Income-tax Act	(2,18,24,453)	(1,35,42,916)
Provision for doubful debts disallowed	4,72,058	32,687
Expenses allowed only on payment basis	(6,14,830)	9,14,190
Expenses not deductible in determining taxable profits	13,46,370	21,76,205
Deductions allowable under tax laws	(8,04,904)	(4,64,511)
Others	10,41,657	54,510
Tax expenses pertaining to current year	7,46,00,000	11,82,20,000
Effective income tax rate	27.181%	31.704%

b) **Current Tax Liabilities**

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Current tax liabilities(Net)	62,84,347	4,72,91,237	5,77,65,636

(All amounts are stated in Indian Rupees, unless stated otherwise)

c) **Deferred Tax Liabilities**

The majority of the deferred tax balance represents differential rates of depreciation for property plant and equipment under income tax act and disallowance of certain expenditure under income tax act. Significant components of deferred tax assets/(liabilities) recognized in the financial statements are as follows:

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Deferred Tax Liability:			
On account of depreciation	12,24,00,000	9,91,00,000	8,51,00,054
Deferred Tax Asset:			
Expenses allowed on payment basis	(7,57,587)	(9,00,000)	(12,16,858)
Allowance for doubtful receivables and advances	(9,33,362)	(4,61,304)	(4,28,617)
Others	(23,299)	(20,309)	(6,158)
Deferred Tax Asset/Liabilities (Net)	**12,06,85,752**	**9,77,18,387**	**8,34,48,421**

Deferred tax balance (Asset)/Liability in relation to	**As at 31-03-2017**	Recognised/ (reversed) through profit and loss	Recognised in/ reclassified from other comprehensive income	**As at 31-03-2018**
Depreciation under income tax act	9,91,00,000	2,33,00,000		12,24,00,000
Provision for employee benefit	(9,00,000)	27,168	1,15,245	(7,57,587)
Allowance for doubtful receivables and advances	(4,61,304)	(4,72,058)		(9,33,362)
Others	(20,309)	(2,990)		(23,299)
Total	**9,77,18,387**	**2,28,52,120**	**1,15,245**	**12,06,85,752**

Deferred tax balance (Asset)/Liability in relation to	**As at 01-04-2016**	Recognised/ (reversed) through profit and loss	Recognised in/ reclassified from other comprehensive income	**As at 31-03-2017**
Depreciation under income tax act	8,51,00,054	1,39,99,946		9,91,00,000
Provision for employee benefit	(12,16,858)	6,38,020	(3,21,162)	(9,00,000)
Allowance for doubtful receivables and advances	(4,28,617)	(32,687)		(4,61,304)
Others	(6,158)	(14,151)		(20,309)
Total	**8,34,48,421**	**1,45,91,128**	**(3,21,162)**	**9,77,18,387**

Taurus Value Steel & Pipes Private Limited
Notes to the Financial Statements

(All amounts are stated in Indian Rupees, unless stated otherwise)

19 BORROWINGS (CURRENT)

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
SECURED LOAN			
Working Capital Loans repayable on demand from Banks	5,54,63,140	13,99,59,409	18,52,54,182
Total Borrowings	5,54,63,140	13,99,59,409	18,52,54,182

Working capital loans are repayble on demand and carries interest @ 8% to 12% and secured by:

a) First pari passu floating charge on the existing and future current assets and fixed assets belonging to the company

b) Guarantee by Managing Director & Corporate guarantee by holding company

20 TRADE PAYABLES (CURRENT)

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Due to Micro and Small Enterprises (Refer Note 36(d))	-	-	-
Due to Others			
- Acceptances	96,25,51,117	66,69,92,555	36,52,52,475
- Other than acceptances	1,30,01,065	2,50,96,463	41,95,162
Total Trade Payables	97,55,52,182	69,20,89,018	36,94,47,637

Acceptances include credit availed by the Company from banks for payment to suppliers for goods purchased by the Company. The arrangements are interest-bearing and are payable within 90 days.

Payables Other than acceptances are normally settled within 30 to 90 days.

21 OTHER FINANCIAL LIABILITIES (CURRENT)

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Current maturities of long term debt (Refer note 16)	16,66,66,666	-	-
Employee Benefits payable	1,04,32,768	80,47,817	75,18,803
Other expense payable	1,71,76,787	3,23,74,754	2,70,61,350
Total Other Financial Liabilities	**19,42,76,221**	**4,04,22,571**	**3,45,80,153**

22 PROVISIONS (CURRENT)

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Provision for Employee benefits			
Provision for Gratuity (Refer note 36)	8,66,950	25,15,000	1,62,000
Provision for compensated absences (Refer note 36)	2,08,290	1,26,558	1,03,119
Total Provisions	**10,75,240**	**26,41,558**	**2,65,119**

23 OTHER CURRENT LIABILITIES

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Advances from customer	59,07,632	1,14,14,985	64,75,991
Statutory liabilities	11,69,286	7,97,99,304	5,58,87,318
Total Other Current liabilities	**70,76,918**	**9,12,14,289**	**6,23,63,309**

Taurus Value Steel & Pipes Private Limited

Notes to the Financial Statements

(All amounts are stated in Indian Rupees, unless stated otherwise)

24 REVENUE FROM OPERATIONS

Particulars	For the period ended 31-03-2018	For the period ended 31-03-2017
Sale of Building Products (Steel Pipes and Tubes)	7,59,91,20,938	6,63,83,83,975
Sale of scrap	13,60,78,504	11,72,21,941
Conversion Charges	20,02,180	24,18,814
Total	7,73,72,01,622	6,75,80,24,730

25 OTHER INCOME

Particulars	For the period ended 31-03-2018	For the period ended 31-03-2017
Interest Income on borrowings	12,32,579	15,72,378
Rent received	45,39,240	44,74,020
Unwinding of interest income on rental deposits	67,607	3,99,270
Miscellaneous income	52,541	12,394
Total	**58,91,967**	**64,58,062**

26 COST OF RAW MATERIALS CONSUMED

Particulars	For the period ended 31-03-2018	For the period ended 31-03-2017
Opening stock of Stock in trade	27,79,46,624	23,72,18,290
Add: Purchases of Raw Materials	6,54,23,21,750	5,64,03,27,773
Less: Closing stock of Stock in trade	(44,85,69,105)	(27,79,46,624)
	6,37,16,99,269	**5,59,95,99,439**

27 CHANGES IN INVENTORIES OF FINISHED GOODS

Particulars	For the period ended 31-03-2018	For the period ended 31-03-2017
Closing stock of Stock in trade	(30,61,01,687)	(42,48,82,747)
Opening stock of Stock in trade	42,48,82,747	25,89,35,309
	11,87,81,060	**(16,59,47,438)**

Taurus Value Steel & Pipes Private Limited

Notes to the Financial Statements

(All amounts are stated in Indian Rupees, unless stated otherwise)

28 EMPLOYEE BENEFIT EXPENSES

Particulars	For the period ended 31-03-2018	For the period ended 31-03-2017
Salaries and Wages	10,68,69,255	10,82,27,650
Contribution for:		
Provident fund	39,85,937	33,40,201
Employee state insurance	10,87,796	4,15,425
Gratuity-Employees	13,39,000	15,87,000
Staff Welfare Expenses	25,98,688	28,38,583
Total	**11,58,80,676**	**11,64,08,859**

Taurus Value Steel & Pipes Private Limited

Notes to the Financial Statements

(All amounts are stated in Indian Rupees, unless stated otherwise)

29 **FINANCE COSTS**

Particulars	For the period ended 31-03-2018	For the period ended 31-03-2017
Interest Expense on borrowings	10,26,23,907	9,90,99,653
Other borrowing costs	92,84,058	1,52,68,226
Interest on Income Tax	46,66,676	47,84,187
Total	**11,65,74,641**	**11,91,52,066**

30 **OTHER EXPENSES**

Particulars	For the period ended 31-03-2018	For the period ended 31-03-2017
Power & Fuel	8,50,06,699	8,16,06,553
Consumption of Stores and Spares	36,62,89,857	34,64,22,303
Rent	68,35,857	1,18,46,544
Repairs and Maintenance		
- Others	1,11,50,979	1,15,09,673
Insurance	17,72,670	11,84,572
Rates & Taxes	42,88,753	2,19,43,525
Travelling Expenses	13,04,958	11,54,871
Payment to Auditors (Refer note below)	7,10,000	6,20,695
Professional fees	21,89,526	24,60,876
Directors sitting fees	1,18,000	-
Communication Expenses	8,58,820	10,93,027
Advertisement & Publicity Expenses	3,99,004	10,48,825
Loss Allowance for doubtful trade receivables	13,64,014	94,448
Coolie Charges	59,67,262	41,25,371
Freight Charges	17,49,03,988	16,95,92,617
Commission Charges	5,25,716	38,14,338
Bad Debts written off	2,386	4,265
Loss on sale of Property, plant & equipment	-	8,45,680
Miscellaneous Expenses	3,02,50,879	1,90,70,358
Total	**69,39,39,368**	**67,84,38,541**

Note : Breakup for Payment to Auditors is as under: (Excluding service tax/ GST)

Particulars	For the period ended 31-03-2018	For the period ended 31-03-2017
a) For Statutory Audit	5,50,000	4,00,000
b) For Tax Audit	1,00,000	1,00,000
c) For Other Services	-	-
d) Out of Pocket Expenses	60,000	1,20,695
	7,10,000	**6,20,695**

(All amounts are stated in Indian Rupees, unless stated otherwise)

31 Earnings Per Share

Particulars	For the period ended 31-03-2018	For the period ended 31-03-2017
Basic & Diluted		
A. Profit attributable to equity shareholders (in Rs.)	17,84,71,196	23,63,66,421
B. Weighted average number of equity shares (in Nos.)	15,10,100	15,10,100
C. Basic and Diluted EPS (Rs.) [A/B]	118.19	156.52
Face value per share (Rs.)	10	10

32 Contingent liabilities:

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Corporate Guarantee given for Holding Company	55,00,00,000	55,00,00,000	55,00,00,000
Letter of Credit from Bank to suppliers	97,16,86,419	67,37,85,654	36,90,63,022
	1,52,16,86,419	**1,22,37,85,654**	**91,90,63,022**

33 **Commitments**

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Estimated value of capital commitments towards buildings (Net of advances)	-	-	20,52,200
Estimated value of capital commitments towards purchase of machinery. (Net of advance)	1,09,97,036	7,87,13,058	2,23,71,020
	1,09,97,036	**7,87,13,058**	**2,44,23,220**

34 Operating lease

a) As lessor:

The company has entered into leasing arrangements for renting:

- Building admeasuring approximately 17,831 Square feet at the rate of Rs.11 per square feet for a period of 11 months, which is renewable

Disclosure in respect of assets (building) given on operating lease :

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Gross carrying amount of assets	5,62,88,789	5,62,88,789	5,62,88,789
Accumulated Depreciation	6,77,816	3,38,908	-
Depreciation for the year	3,38,908	3,38,908	

b) As lessee:

Various Buildings have been taken on operating lease with lease term between 11 and 24 months for office premises and residential accommodation of employees, which are renewable on a periodic basis by mutual consent of both parties. All the operating leases are cancellable by either parties for any reason by giving a prior notice before 1 to 3 months. There is no restriction imposed by lease arrangements, such as those concerning dividends and additional debts.

Lease payments recognized under rent expenses is as follows:

Particulars	For the period ended 31-03-2018	For the period ended 31-03-2017
Minimum lease payment made on operating lease	68,35,857	1,18,46,544

Taurus Value Steel & Pipes Private Limited
Notes to the Financial Statements

(All amounts are stated in Indian Rupees, unless stated otherwise)

35 Additional Information

a) CIF Value of imports - Nil (PY - Nil)

b) Foreign currency earnings - Nil (PY - Nil)

c) Details of Foreign currency expenditure - Nil (PY - Nil)

d) Disclosure pertaining to micro and small enterprises as required under MSMED Act, 2006 (as per information available with the Company):

Particulars	**As at 31-03-2018**	**As at 31-03-2017**	**As at 01-04-2016**
Principal amount due outstanding as at end of year	-	-	-
Interest due on above and unpaid as at end of year	-	-	-
Balances pertaining to Micro and Small Enterprises	-	-	-

(All amounts are stated in Indian Rupees, unless stated otherwise)

36 Employee benefits

a) Defined contribution plan

Contribution to Defined Contribution Plans, recognised as an expense for the year is as under:

Particulars	For the period ended 31-03-2018	For the period ended 31-03-2017
Employer's Contribution to Provident Fund (includes pension fund)	39,85,937	33,40,201
Employer's Contribution to Employee State Insurance	10,87,796	4,15,425

b) Defined benefit plans

The Company has funded the gratuity liability ascertained on actuarial basis, wherein every employee who has completed five years or more of service is entitled to gratuity on retirement or resignation or death calculated at 15 days salary for each completed year of service, subject to a maximum of Rs. 20 lacs per employee. The vesting period for Gratuity as payable under The Payment of Gratuity Act is 5 years.

The plans in India typically expose the Company to actuarial risks such as: investment risk, interest rate risk, longevity risk and salary risk.

Investment risk: The present value of the defined benefit plan liability is calculated using a discount rate determined by reference to government bond yields; if the return on plan asset is below this rate, it will create a plan deficit.

Interest risk: A decrease in the bond interest rate will increase the plan liability; however, this will be partially offset by an increase in the return on the plan's debt investments.

Longevity risk: The present value of the defined benefit plan liability is calculated by reference to the best estimate of the mortality of plan participants both during and after their employment. An increase in the life expectancy of the plan participants will increase the plan's liability.

Salary risk: The present value of the defined benefit plan liability is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the plan's liability.

There are no other post-retirement benefits provided to employees.

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out at 31st March 2018 by M/S Ankolekar & Co., Actuaries and Consultants. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

Gratuity (Funded)

Particulars	31-03-2018	31-03-2017
Liability recognized in the Balance Sheet		
Present value of defined benefit obligation		
Opening Balance	59,25,000	34,13,000
Current Service Cost	12,10,000	11,26,000
Past Service Cost	-	2,74,000
Interest Cost	4,15,000	2,59,000
Actuarial Loss/(Gain) on obligation	(4,74,000)	8,53,000
Benefits paid	-	-
Closing Balance	**70,76,000**	**59,25,000**
Less: Fair Value of Plan Assets		
Opening Balance	34,10,000	-
Expected Return on Plan assets less loss on investments	2,86,000	72,000
Actuarial (Loss)/Gain on Plan Assets	(1,41,000)	(75,000)
Employers' Contribution	25,15,000	34,13,000
Benefits paid	-	-
Closing Balance	**60,70,000**	**34,10,000**
Amount recognized in Balance Sheet (Refer note 22)	**10,06,000**	**25,15,000**

(All amounts are stated in Indian Rupees, unless stated otherwise)

Expenses during the year		
Current Service cost	12,10,000	11,26,000
Past Service cost	-	2,74,000
Interest cost	4,15,000	2,59,000
Expected Return on Plan assets	(2,86,000)	(72,000)
Component of defined benefit cost recognized in statement of profit & loss	**13,39,000**	**15,87,000**
Remeasurement of net defined benefit liability		
- Actuarial Loss/(Gain) on defined benefit obligation	(4,74,000)	8,53,000
- Actuarial Loss/(Gain) on Plan Assets	1,41,000	75,000
Component of defined benefit cost recognized in other comprehensive income	**(3,33,000)**	**9,28,000**
Total		
Actual Return on plan assets	1,45,000	(3,000)
Break up of Plan Assets:		
i) Equity instruments	-	-
ii) Debt instruments	-	-
iii) Investment Funds with Insurance Company	100%	100%
Of which, Unit Linked	100%	100%
Of which, Traditional/ Non-Unit Linked	-	-
iv) Asset-backed securities	-	-
v) Structured debt	-	-

Note: None of the assets carry a quoted market price in an active market or represent the entity's own transferable financial instruments or are property occupied by the entity.

Principal actuarial assumptions

Particulars	31-03-2018	31-03-2017	01-04-2016
Discount Rate	7.60%	7.00%	7.60%
Expected rate(s) of salary increase	7.00%	7.00%	7.00%
Expected return on plan assets	7.00%	7.60%	NA
Attrition rate	10.00%	10.00%	10.00%
Mortality rate during employment	Indian assured lives mortality 2006-2008 Ult.		

Experience adjustments

Particulars	31-03-2018	31-03-2017	31-03-2016	31-03-2015	31-03-2014
Defined Benefit Obligation	70,76,000	59,25,000	34,13,000	16,05,240	4,36,240
Plan Assets	60,70,000	34,10,000	-	-	-
Surplus / (Deficit)	(10,06,000)	(25,15,000)	(34,13,000)	(16,05,240)	(4,36,240)
Experience Adjustments on Plan Liabilities – (Loss)/Gain	1,96,000	(5,74,000)	(2,17,000)	77,000	2,000
Experience Adjustments on Plan Assets – (Loss)/Gain	(1,66,000)	(75,000)	-	-	-

The Company expects to contribute Rs. 25,15,000 (previous year Rs. 34,13,000) to its gratuity plan for the next year.

In assessing the Company's post retirement liabilities, the Company monitors mortality assumptions and uses up-to date mortality tables, the base being the Indian assured lives mortality (2006-08) ultimate.

Expected return on plan assets is based on expectation of the average long term rate of return expected on investments of the fund during the estimated term of the obligations after considering several applicable factors such as the composition of plan assets, investment strategy, market scenario, etc.

(All amounts are stated in Indian Rupees, unless stated otherwise)

The estimates of future salary increase, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

Effective March 29, 2018, the Government of India has notified the Payment of Gratuity (Amendment) Act, 2018 to raise the statutory ceiling on gratuity benefit payable to each employee to Rs 20 lacs from Rs 10 lacs. Accordingly the amended and improved benefits, if any, are recognised as current year"s expense as provided under paragraph 103, Ind AS 19.

The amount included in the financial statements arising from the entity's obligation in respect of its defined benefit plan is as follows:

Particulars	31-03-2018	31-03-2017	01-04-2016
Defined Benefit Obligation	70,76,000	59,25,000	34,13,000
Plan Assets	60,70,000	34,10,000	-
Net (liability) /asset arising from defined benefit obligation	(10,06,000)	(25,15,000)	(34,13,000)

The actual return on plan assets for the year ended 31st March 2018 was Rs. 1,45,000 (for the year ended 31st March 2017 : (Rs. 3000).)

Sensitivity Analysis:

Significant actuarial assumptions for the determination of the defined benefit obligation are discount rate, expected salary increase and mortality. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

Particulars	Impact on Defined benefit obligation			
	31-03-2018		31-03-2017	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	5,65,000	4,94,000	5,21,000	4,53,000
Future salary growth (1% movement)	5,62,000	5,01,000	5,16,000	4,57,000
Attrition rate (1% movement)	2,000	4,000	24,000	24,000

The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

The average expected remaining lifetime of the plan members is 6 years as at the valuation date which represents the weighted average of the expected remaining lifetime of all plan participants.

The Company had deployed its investment assets in an insurance plan which is invested in market linked bonds. The investment returns of the market-linked plan are sensitive to the changes in interest rates as compared with the investment returns from the smooth return investment plan. The liabilities' duration is not matched with the assets' duration.

The liabilities of the fund are funded by assets. The company aims to maintain a close to full-funding position at each Balance Sheet date. Future expected contributions are disclosed based on this principle.

Taurus Value Steel & Pipes Private Limited
Notes to the Financial Statements

(All amounts are stated in Indian Rupees, unless stated otherwise)

37 Related party disclosures

A. Names of Related parties and nature of relationship:

Holding Company:	Shankara Building Products Ltd
Fellow Subsidariy Companies:	Vishal Precision Steel Tubes and Strips Pvt Ltd
	Century wells Roofing India Pvt Ltd
Key Managerial Personnel	Mr. Sukumar Srinivas (Managing Director)
	Mr. R.S.V.Sivaprasad (Whole time Director)

B.

Transactions with Related Parties	**For the period ended 31-03-2018**	**For the period ended 31-03-2017**
Purchase of Goods (Refer note 1 below)		
Vishal Precision Steel Tubes and Strips Private Ltd	2,29,05,192	5,92,56,451
Shankara Building Products Ltd	14,39,85,391	18,96,17,423
Century wells Roofing India Private Ltd	1,44,68,674	2,54,26,462
Sale of Goods (Refer note 2 below)		
Vishal Precision Steel Tubes and Strips Private Ltd	36,81,912	-
Shankara Building Products ltd	5,99,33,88,433	4,40,53,30,513
Sale of Fixed Assets		
Vishal Precision Steel Tubes and Strips Private Ltd	-	9,10,625
Rental Income		
Shankara Building Products Ltd	27,39,240	26,74,020
Century wells Roofing India Private Ltd	18,00,000	18,00,000
Rent Expenses		
Shankara Building Products Ltd	14,26,500	23,83,000

Notes

1 The purchases from related parties are in the ordinary course of business. Purchase transactions are based on normal commercial terms and conditions and market rates.

2 The sales to related parties are in the ordinary course of business. Sales transactions are based on prevailing price lists. The Company has not recorded any loss allowances for trade receivables from related parties.

3 As the future liability for gratuity is provided on an actuarial basis for the company as a whole, the amount pertaining to individual is not ascertainable and therefore not included above

C.

Amount due to/ from related parties	**As at 31-03-2018**	**As at 31-03-2017**	**As at 01-04-2016**
Trade Receivables			
Shankara Building Products Ltd	48,88,95,402	32,00,04,980	14,07,00,462
Rent Receivable			
Shankara Building Products Ltd	2,46,531	2,39,684	2,27,183
Century wells Roofing India Private Ltd	1,62,000	1,57,500	1,56,750
Rent Payable			
Shankara Building Products Ltd	(28,350)	(2,39,218)	(2,12,493)
Loan payable			
Shankara Building Products Ltd	(50,00,00,000)	(50,00,00,000)	(50,00,00,000)
Guarantees given to Holding Company			
Shankara Building Products Ltd	(55,00,00,000)	(55,00,00,000)	(55,00,00,000)

Guarantees given to Holding Company

Guarantees provided to the lenders of the holding company are for availing working capital facilities from the lender banks.

(All amounts are stated in Indian Rupees, unless stated otherwise)

38 Financial Instruments

A. Capital risk management

The Company's capital requirements are mainly to fund its expansion, working capital. The principal source of funding of the Company has been, and is expected to continue to be, cash generated from its operations supplemented by short term borrowing from bank and the financial support from holding company on need basis. The Company is not subject to any externally imposed capital requirements.

The Company regularly considers other financing and refinancing opportunities to diversify its debt profile, reduce interest cost and closely monitors its judicious allocation amongst competing expansion projects and strategic acquisitions, to capture market opportunities at minimum risk

The Company monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents, Bank balances other than cash and cash equivalents.

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Long term borrowings	33,33,33,334	50,00,00,000	50,00,00,000
Current maturities of long term debt	16,66,66,666	-	-
Short term borrowings	5,54,63,140	13,99,59,409	18,52,54,182
Less: Cash and cash equivalents	(3,50,958)	(12,25,028)	(13,62,583)
Less: Bank balances other than cash and cash equivalents	(50,99,732)	(19,732)	(19,732)
Net Debt	55,00,12,450	63,87,14,649	68,38,71,867
Total Equity	94,35,18,354	76,42,81,010	52,84,81,293
Gearing Ratio	0.58	0.84	1.29

i) Equity includes all capital and reserves of the Company that are managed as capital.

ii) Debt is defined as long and short term borrowings (excluding financial guarantee contracts), as described in Note 16 and 19

(All amounts are stated in Indian Rupees, unless stated otherwise)

B. Categories of financial instruments

Particulars	31-03-2018		31-03-2017		01-04-2016	
	Carrying Value	Fair Value	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets						
Measured at amortised cost						
Loans	3,60,48,592	3,60,48,592	2,20,12,190	2,20,12,190	1,85,40,418	1,85,40,418
Other financial assets	23,00,216	23,00,216	28,06,427	28,06,427	22,36,103	22,36,103
Trade receivables	68,07,89,788	68,07,89,788	64,90,98,390	64,90,98,390	38,23,82,630	38,23,82,630
Cash and cash equivalents	3,50,958	3,50,958	12,25,028	12,25,028	13,62,583	13,62,583
Bank balances other than cash and cash equivalents	50,99,732	50,99,732	19,732	19,732	19,732	19,732
Total financial assets at amortised cost (A)	**72,45,89,286**	**72,45,89,286**	**67,51,61,767**	**67,51,61,767**	**40,45,41,466**	**40,45,41,466**
Measured at fair value through other comprehensive income (B)	-	-	-	-	-	-
Measured at fair value through profit and loss (C)	-	-	-	-	-	-
Total financial assets (A+B+C)	**72,45,89,286**	**72,45,89,286**	**67,51,61,767**	**67,51,61,767**	**40,45,41,466**	**40,45,41,466**
Financial liabilities						
Measured at amortised cost						
Long term Borrowings *	50,00,00,000	50,00,00,000	50,00,00,000	50,00,00,000	50,00,00,000	50,00,00,000
Short term Borrowings	5,54,63,140	5,54,63,140	13,99,59,409	13,99,59,409	18,52,54,182	18,52,54,182
Trade payables	97,55,52,182	97,55,52,182	69,20,89,018	69,20,89,018	36,94,47,637	36,94,47,637
Other financial liabilities	2,76,09,555	2,76,09,555	4,04,22,571	4,04,22,571	3,45,80,153	3,45,80,153
Total financial liabilities carried at amortised cost	**1,55,86,24,877**	**1,55,86,24,877**	**1,37,24,70,998**	**1,37,24,70,998**	**1,08,92,81,972**	**1,08,92,81,972**

* including current maturities of long term debt

C. Financial risk management

The Company has a Risk Management Committee established by its Board of Directors for overseeing the Risk Management Framework and developing and monitoring the Company’s risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company’s activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Company.

(All amounts are stated in Indian Rupees, unless stated otherwise)

The risk management policies aims to mitigate the following risks arising from the financial instruments:
- Market risk
- Credit risk; and
- Liquidity risk

D. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Company is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates, commodity prices and interest rates.

E. Commodity price risk:

The Company's revenue is exposed to the market risk of price fluctuations related to the sale of its steel and other building products. Market forces generally determine prices for the steel products sold by the Company. These prices may be influenced by factors such as supply and demand, production costs (including the costs of raw material inputs) and global and regional economic conditions and growth. Adverse changes in any of these factors may reduce the revenue that the Company earns from the sale of its steel products.

The Company purchases the steel and other building products in the open market from third parties as well as from subsidiaries in prevailing market price. The Company is therefore subject to fluctuations in the prices of Steel coil, Steel pipes, zinc, Sanitary wares etc.

The Company aims to sell the products at prevailing market prices. Similarly the Company procures the products based on prevailing market rates as the selling prices of steel products and the prices of inputs move in the same direction.

F. Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk since funds are borrowed at floating interest rates. Interest rate risk is measured by using the cash flow sensitivity for changes in variable interest rate. The borrowings of the Company are principally denominated in rupees. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

The following table provides a break-up of the Company's fixed and floating rate borrowings:

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016
Fixed rate borrowings	-	-	-
Floating rate borrowings	5,54,63,140	13,99,59,409	18,52,54,182
Total borrowings with interest	**5,54,63,140**	**13,99,59,409**	**18,52,54,182**

(All amounts are stated in Indian Rupees, unless stated otherwise)

G. Credit risk management:

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses of both, the direct risk of default and the risk of deterioration of credit worthiness as well as concentration risks.

Company's credit risk arises principally from the trade receivables and advances

Trade receivables:

Customer credit risk is managed centrally by the company and subject to established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on financial position, past performance, business/ economic conditions, market reputation, expected business etc. Based on that credit limit & credit terms are decided. Outstanding customer receivables are regularly monitored

Trade receivables consist of a large number of customers spread across diverse industries and geographical areas with no significant concentration of credit risk. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables.

H. Liquidity risk management

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Company requires funds both for short term operational needs as well as for strategic acquisitions. The Company generates sufficient cash flow for operations, which together with the available cash and cash equivalents and short term borrowings provide liquidity. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

The following tables detail the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods and its non-derivative financial assets. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period. The contractual maturity is based on the earliest date on which the Company may be required to pay.

Taurus Value Steel & Pipes Private Limited
Notes to the Financial Statements

(All amounts are stated in Indian Rupees, unless stated otherwise)

Liquidity exposure as at 31 March 2018

Particulars	< 1 year	1-5 years	> 5 years	Total
Financial assets				
Loans	-	-	3,60,48,592	3,60,48,592
Other financial assets	23,00,216	-	-	23,00,216
Trade receivables	68,07,89,788	-	-	68,07,89,788
Cash and cash equivalents	3,50,958	-	-	3,50,958
Bank balances other than cash and cash equivalents	50,99,732	-	-	50,99,732
Total financial assets	**68,85,40,694**	**-**	**3,60,48,592**	**72,45,89,286**
Financial liabilities				
Long term Borrowings *	16,66,66,666	33,33,33,334	-	50,00,00,000
Short term Borrowings	5,54,63,140	-	-	5,54,63,140
Trade payables	97,55,52,182	-	-	97,55,52,182
Other financial liabilities	2,76,09,555	-	-	2,76,09,555
Total financial liabilities	**1,22,52,91,543**	**33,33,33,334**	**-**	**1,55,86,24,877**

* including current maturities of long term debt

Liquidity exposure as at 31 March 2017

Particulars	< 1 year	1-5 years	> 5 years	Total
Financial assets				
Loans	-	-	2,20,12,190	2,20,12,190
Other financial assets	28,06,427	-	-	28,06,427
Trade receivables	64,90,98,390	-	-	64,90,98,390
Cash and cash equivalents	12,25,028	-	-	12,25,028
Bank balances other than cash and cash equivalents	19,732	-	-	19,732
Total financial assets	**65,31,49,577**	**-**	**2,20,12,190**	**67,51,61,767**
Financial liabilities				
Long term Borrowings *	-	50,00,00,000	-	50,00,00,000
Short term Borrowings	13,99,59,409	-	-	13,99,59,409
Trade payables	69,20,89,018	-	-	69,20,89,018
Other financial liabilities	4,04,22,571	-	-	4,04,22,571
Total financial liabilities	**87,24,70,998**	**50,00,00,000**	**-**	**1,37,24,70,998**

* including current maturities of long term debt

(All amounts are stated in Indian Rupees, unless stated otherwise)

Liquidity exposure as at 01 April 2016

Particulars	< 1 year	1-5 years	> 5 years	Total
Financial assets				
Loans	-	-	1,85,40,418	1,85,40,418
Other financial assets	22,36,103	-	-	22,36,103
Trade receivables	38,23,82,630	-	-	38,23,82,630
Cash and cash equivalents	13,62,583	-	-	13,62,583
Bank balances other than cash and cash equivalents	19,732	-	-	19,732
Total financial assets	**38,60,01,048**	**-**	**1,85,40,418**	**40,45,41,466**
Financial liabilities				
Long term Borrowings *	-	50,00,00,000	-	50,00,00,000
Short term Borrowings	18,52,54,182	-	-	18,52,54,182
Trade payables	36,94,47,637	-	-	36,94,47,637
Other financial liabilities	3,45,80,153	-	-	3,45,80,153
Total financial liabilities	**58,92,81,972**	**50,00,00,000**	**-**	**1,08,92,81,972**

* including current maturities of long term debt

The amount of guarantees given on behalf of holding company included in Note No. 17 represents the maximum amount the Company could be forced to settle for the full guaranteed amount. Based on the expectation at the end of the reporting period, the Company considers that it is more likely than not that such an amount will not be payable under the arrangement.

Collateral

The Company has pledged part of its trade receivables, short term investments and cash and cash equivalents in order to fulfil certain collateral requirements for the banking facilities extended to the Company. There is an obligation to return the securities to the Company once these banking facilities are surrendered. (Refer note 16 and 19)

I. Level wise disclosure of financial instruments

Particulars	As at 31-03-2018	As at 31-03-2017	As at 01-04-2016	Level	Valuation techniques and key inputs
Security Deposit	3,54,98,592	2,14,62,190	1,79,25,812	2	Discounted cash flow –observable future cash flows are based on terms discounted at a rate that reflects market risks.

The carrying amounts of trade receivables, trade payables, cash and cash equivalents, other bank balances and other financial assets and liabilities other than those disclosed in the above table, are considered to be the same as their fair values, due to their short term nature.

39 First time adoption Ind AS reconciliations *(All amounts are stated in Indian Rupees, unless stated otherwise)*

A. Reconciliations of Balance Sheet

Particulars	Notes	As at 31-03-2017			As at 01-04-2016		
		Amount as per previous GAAP	Effects of transition to Ind AS	Amount as per Ind AS	Amount as per previous GAAP	Effects of transition to Ind AS	Amount as per Ind AS
I ASSETS							
Non-current assets							
(a) Property, plant and equipment	4	91,65,92,286	(5,59,49,881)	86,06,42,405	84,20,37,045	(5,62,88,789)	78,57,48,256
(b) Investment property	5	-	5,59,49,881	5,59,49,881	-	5,62,88,789	5,62,88,789
(c) Financial Assets							
i) Loans	6	2,28,39,621	(8,27,431)	2,20,12,190	1,90,22,635	(4,82,217)	1,85,40,418
(d) Other non-current assets	7	1,60,78,955	-	1,60,78,955	39,00,600	-	39,00,600
Total Non current assets		**95,55,10,862**	**(8,27,431)**	**95,46,83,431**	**86,49,60,280**	**(4,82,217)**	**86,44,78,063**
Current Assets							
(a) Inventories	8	73,56,65,878	-	73,56,65,878	52,43,03,441	-	52,43,03,441
(b) Financial Assets							
i) Trade receivables	9	65,04,31,328	(13,32,938)	64,90,98,390	38,36,21,120	(12,38,490)	38,23,82,630
ii) Cash and cash equivalents	10	12,25,028	-	12,25,028	13,62,583	-	13,62,583
iii) Bank balances other than (ii) above	11	19,732	-	19,732	19,732	-	19,732
iv) Others financial assets	12	20,54,328	7,52,099	28,06,427	16,01,665	6,34,438	22,36,103
(c) Other current assets	13	3,30,32,475	16,651	3,30,49,126	5,12,14,879	(1,70,014)	5,10,44,865
Total current assets		**1,42,24,28,769**	**(5,64,188)**	**1,42,18,64,581**	**96,21,23,420**	**(7,74,066)**	**96,13,49,354**
Total Assets		**2,37,79,39,631**	**(13,91,619)**	**2,37,65,48,012**	**1,82,70,83,700**	**(12,56,283)**	**1,82,58,27,417**

39 First time adoption Ind AS reconciliations *(All amounts are stated in Indian Rupees, unless stated otherwise)*

A. Reconciliations of Balance Sheet

Particulars	Notes	As at 31-03-2017 Amount as per previous GAAP	As at 31-03-2017 Effects of transition to Ind AS	As at 31-03-2017 Amount as per Ind AS	As at 01-04-2016 Amount as per previous GAAP	As at 01-04-2016 Effects of transition to Ind AS	As at 01-04-2016 Amount as per Ind AS
II EQUITY AND LIABILITIES							
Equity							
(a) Equity Share capital	14	1,51,01,000	-	1,51,01,000	1,51,01,000	-	1,51,01,000
(b) Other equity	15	75,10,20,549	(18,40,539)	74,91,80,010	51,51,72,468	(17,92,175)	51,33,80,293
		76,61,21,549	**(18,40,539)**	**76,42,81,010**	**53,02,73,468**	**(17,92,175)**	**52,84,81,293**
Non-Current Liabilities							
(a) Financial liabilities							
i) Borrowings	16	50,00,00,000	-	50,00,00,000	50,00,00,000	-	50,00,00,000
(b) Provisions	17	-	9,30,533	9,30,533	32,51,000	9,70,667	42,21,667
(c) Deferred tax liabilities (Net)	18	9,82,00,000	(4,81,613)	9,77,18,387	8,38,83,196	(4,34,775)	8,34,48,421
Total Non-current liabilities		**59,82,00,000**	**4,48,920**	**59,86,48,920**	**58,71,34,196**	**5,35,892**	**58,76,70,088**
Current liabilities							
(a) Financial liabilities							
i) Borrowings	19	13,99,59,409	-	13,99,59,409	18,52,54,182	-	18,52,54,182
ii) Trade payables	20	69,20,89,018	-	69,20,89,018	36,94,47,637	-	36,94,47,637
iii) Other financial liabilities	21	4,04,22,571	-	4,04,22,571	3,45,80,153	-	3,45,80,153
(b) Provisions	22	26,41,558	-	26,41,558	2,65,119	-	2,65,119
(c) Current tax liabilities(Net)		4,72,91,237	-	4,72,91,237	5,77,65,636	-	5,77,65,636
(d) Other current liabilities	23	9,12,14,289	-	9,12,14,289	6,23,63,309	-	6,23,63,309
Total current liabilities		**1,01,36,18,082**	**-**	**1,01,36,18,082**	**70,96,76,036**	**-**	**70,96,76,036**
Total Equity and Liabilities		**2,37,79,39,631**	**(13,91,619)**	**2,37,65,48,012**	**1,82,70,83,700**	**(12,56,283)**	**1,82,58,27,417**

39 First time adoption Ind AS reconciliations *(All amounts are stated in Indian Rupees, unless stated otherwise)*

B. Reconciliation of total comprehensive income for the year ended March 31, 2017

	Particulars	Note No.	Amount as per previous GAAP	Effects of transition to Ind AS	Amount as per Ind AS
I	Revenue from operations	24	6,75,80,24,730	-	6,75,80,24,730
II	Other Income	25	60,58,792	3,99,270	64,58,062
III	**Total Income (I+II)**		**6,76,40,83,522**	**3,99,270**	**6,76,44,82,792**
IV	**Expenses**				
	Purchases of Stock-in-trade		5,59,95,99,439	-	5,59,95,99,439
	Changes in inventories of finished goods, stock in trade and work-in - progress	27	(16,59,47,438)	-	(16,59,47,438)
	Employee benefit expense	28	11,73,36,859	(9,28,000)	11,64,08,859
	Finance cost	29	11,91,52,066	-	11,91,52,066
	Depreciation and amortization expense	4, 5	4,39,41,141	-	4,39,41,141
	Other expenses	30	67,79,03,935	5,34,606	67,84,38,541
	Total expenses (IV)		**6,39,19,86,002**	**(3,93,394)**	**6,39,15,92,608**
V	Profit before tax (III-IV)		37,20,97,520	7,92,664	37,28,90,184
VI	Tax expense:	18			
	Current Tax				
	Current year		11,82,20,000	-	11,82,20,000
	Tax refund / reversal pertaining to earlier years		37,12,635	-	37,12,635
	Deferred tax		1,43,16,804	2,74,324	1,45,91,128
			13,62,49,439	**2,74,324**	**13,65,23,763**
VII	**Profit for the period**		**23,58,48,081**	**5,18,340**	**23,63,66,421**
VIII	**Other Comprehensive Income**		**-**	(5,66,704)	**(5,66,704)**
IX	**Total Comprehensive Income/(loss)**		**23,58,48,081**	**(48,364)**	**23,57,99,717**

C. Effects of IND AS adoption on Total Equity

Particulars	Note below	As at 31-03-2017	As at 01-04-2016
Net Worth under IGAAP		**76,61,21,549**	**53,02,73,468**
Amortisation of prepaid rent compenent of security rental deposit	4	(5,37,786)	(97,628)
Recognition of unwinding interest income on Rental Deposits	4	4,79,105	79,835
Provision for doubtful debts made	2	(13,32,938)	(12,38,490)
Deferred tax impact	5	4,81,613	4,34,775
Fair value of guarantee given to holding company	3	(9,30,533)	(9,70,667)
Net Worth under IND AS		**76,42,81,010**	**52,84,81,293**

D. Effects of IND AS adoption on Cash Flows for year ended 31 March 2017

Particulars	Amount as per previous GAAP	Effects of transition to Ind AS	Amount as per Ind AS
Net cash generated from/(used in) operating activities	27,88,67,157	1,07,23,640	28,95,90,797
Net cash generated from/(used in) investing activities	(11,93,42,060)	(1,07,23,640)	(13,00,65,700)
Net cash generated from/(used in) financing activities	(15,96,62,652)	-	(15,96,62,652)
Net increase/(decrease) in cash and cash equivalents	**(1,37,555)**	**-**	**(1,37,555)**
Cash and cash equivalents at start of year/period	13,62,583	-	13,62,583
Cash and cash equivalents at close of year/ period	**12,25,028**	**-**	**12,25,028**

39 First time adoption Ind AS reconciliations *(All amounts are stated in Indian Rupees, unless stated otherwise)*

Notes:

1 To comply with the Companies (Indian Accounting Standard) Rules, 2015, as amended, certain account balances have been regrouped as per the format prescribed under Schedule III to the Companies Act, 2013.

2 **Recognition of expected credit losses**

The company has recognised a loss allowance for expected credit losses on financial assets in accordance with the requirements of Ind AS 109 retrospectively. However, as permitted by Ind AS 101, it has used reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised.

3 **Fair valuation of Guarantees**

Guarantees given to holding company have been recognised at their fair value which is measured based on cash shortfalls that are expected to reimburse the holder for a credit loss that it incurs less any amounts that the entity expects to receive from the holder.

4 **Financial assets at amortised cost:**

Certain financial assets held on with an objective to collect contractual cash flows in the nature of principal and interest have been recognized at amortised cost on transition date as against historical cost under the previous GAAP with the difference been adjusted to the opening retained earnings.

5 **Deferred tax as per balance sheet approach:**

Under previous GAAP, deferred tax was accounted using the income statement approach, on the timing differences between the taxable profit and accounting profits for the period. Under IND AS, deferred tax is recognized following balance sheet approach on the temporary differences between the carrying amount of asset or liability in the balance sheet and its tax base. In addition, various transitional adjustments has also lead to recognition of deferred taxes on new temporary differences.

6 **Defined benefit liabilities:**

Under IND AS, Remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined liability, are recognized in other comprehensive income instead of profit or loss in previous GAAP.

7 **Investment properties**

Property that is held for long-term rental yields or for capital appreciation or both, and that is not occupied by the company, is classified as investment property. Investment property is measured initially at its cost, including related transaction costs and where applicable, the borrowing costs

8 **Other comprehensive income:**

Under IND AS, all items of income and expense recognized in the period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognized in profit or loss but are shown in the statement of profit and loss and “other comprehensive income” includes remeasurements of defined benefit plans, foreign currency monetary item translation difference account, effective portion of gains and losses on cash flow hedging instruments and fair value gain or losses on FVTOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.